

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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PROPOSED ATTORNEYS FOR DEBTOR

In re:

LTL MANAGEMENT LLC,¹

Debtor.

Chapter 11

Case No.: 23-12825 (MBK)

Judge: Michael B. Kaplan

**DEBTOR'S LIMITED OBJECTION TO APPLICATION OF THE OFFICIAL
COMMITTEE OF TALC CLAIMANTS TO RETAIN HOULIHAN LOKEY CAPITAL,
INC. AS INVESTMENT BANKER AND OMNIBUS RESERVATION OF RIGHTS TO
ADDITIONAL TCC APPLICATIONS TO RETAIN AND EMPLOY PROFESSIONALS**

¹ The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

The above-captioned debtor (the “Debtor”) files this limited objection² to the *Application of the Official Committee of Talc Claimants for Retention of Houlihan Lokey Capital, Inc. as Investment Banker Under Bankruptcy Code Section 328(a) Effective as of April 14, 2023* [Dkt. 538] (the “Houlihan Application”) and omnibus reservation of rights with respect to the Houlihan Application and the other applications to retain and employ professionals filed by the Official Committee of Talc Claimants (“TCC”) on May 17, 2023 (collectively, the “Additional Applications”).³

Preliminary Statement

Through the Applications, the TCC seeks to retain Houlihan Lokey Capital, Inc. (“Houlihan”) and FTI Consulting, Inc. (“FTI”) to represent the TCC in this chapter 11 case (the “Chapter 11 Case”). The Debtor continues to have concerns regarding the TCC’s retention of both Houlihan and FTI, particularly given the proposed fee structure of Houlihan and the similar roles of each professional, which the Debtor continues to believe could be reasonably performed by FTI alone.⁴ The Debtor also continues to have concerns regarding the magnitude

² The Debtor raised the compensation structure issue set forth herein as well additional issues not set forth herein with the TCC prior to the filing of this limited objection. Following a meet and confer with the TCC (defined below), Houlihan (defined below) (a) agreed to submit time records in 0.5 hour increments and (b) clarified that for the avoidance of doubt, notwithstanding paragraph 26 of the *Final Order Authorizing Retention of Houlihan Lokey Capital, Inc. as Investment Banker to the Official Committee of Talc Claimants Under Bankruptcy Code Section 328(a) Effective Dec. 17, 2021* [No. 21 30589, Dkt. 2618] (the “2022 Houlihan Retention Order”), any Deferred Fee (as defined in the Houlihan Application) may only be earned once, subject to the provisions of any order authorizing Houlihan’s retention entered by the Court in this case.

³ *Appl. for Retention of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Talc Claimants Effective Apr. 15, 2023* [Dkt. 539] (together with the Houlihan Application, the “Applications”); *Appl. of the Official Committee of Talc Claimants for Retention of Miller Thomson LLP Effective as of Apr. 14, 2023* [Dkt. 541]; *Appl. of the Official Committee of Talc Claimants for Retention of MoloLamken LLP Effective as of Apr. 20, 2023* [Dkt. 542].

⁴ *See Debtor’s Omnibus Obj. to Appl. of the Official Committee of Talc Claimants for Retention of Houlihan Lokey Capital, Inc. as Investment Banker Under Bankruptcy Code Section 328(a) Effective as of Dec. 17, 2021 and Appl. for Retention of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Talc Claimants Effective Dec. 13, 2021* [No. 21-30589, Dkt. 1087] (the “2021 Objection”) ¶¶ 9-14; *Debtor’s Suppl. Omnibus Obj. to Appls. of the Official Committee of Talc Claimants to Retain (I) Houlihan Lokey Capital, Inc. as Investment Banker, (II) FTI Consulting, Inc. as Financial Advisor and*

of Houlihan's proposed fee, especially in the first four months, given the knowledge and experience Houlihan gained from the Debtor's prior chapter 11 case (the "2021 Chapter 11 Case").

However, the Debtor acknowledges the Court's rulings in the 2021 Chapter 11 Case and, accordingly, files this limited objection, which seeks to align the compensation terms of Houlihan's proposed retention with the terms approved in 2021 Chapter 11 Case.

Additionally, since the filing of the Debtor's *Omnibus Reservation of Rights with Respect to the Official Committee of Talc Claimants' Applications to Retain and Employ Professionals* [Dkt. 495] (the "Initial ROR"), the TCC has filed the Additional Applications. As it did with respect to the TCC's other proposed professional retentions, the Debtor wishes to reserve its rights with respect to any orders authorizing the proposed retentions of professionals of the TCC sought by the Additional Applications pending the completion of the ongoing discovery process in the Chapter 11 Case.

Limited Objection

Houlihan's Proposed Compensation Structure Should Align with its Previously Approved Compensation Structure

1. In the 2021 Chapter 11 Case, the Court authorized the retention of Houlihan but modified the terms of its retention, authorizing a monthly fee of \$400,000 through the hearing on the motions to dismiss, with a reduced monthly fee of \$175,000 for subsequent months. See 2022 Houlihan Retention Order ¶ 25; see also No. 21-30589, Dkt. 2512, June 14,

(III) *The Brattle Group, Inc. as Talc Consultants* [No. 21-30589, Dkt. 2313] (the "2021 Supplemental Objection") ¶¶ 1-6, 9-11.

2022 Hr’g Tr. 15:5-9 (Court noting that allowing higher rate through March 2022 would carry “through the bulk of the work on the motion to dismiss”).

2. The Houlihan Application currently provides that Houlihan will be entitled to a \$400,000 monthly fee for the first four months of the Chapter 11 Case (i.e., through July 2023). Houlihan Appl. ¶ 8. However, the motions to dismiss the Chapter 11 Case currently are scheduled to be heard from June 27, 2023 to June 30, 2023. Based on the Court’s ruling in the 2021 Chapter 11 Case and the current schedule for the hearing on the motions to dismiss in this case, the Debtor submits that Houlihan should be entitled to a \$400,000 monthly fee through June 2023, when the “bulk of the work” on the motions to dismiss will have concluded. This modification would align Houlihan’s proposed retention with the retention authorized in the 2021 Chapter 11 Case.

Reservation of Rights

3. As in the Initial ROR, the Debtor expressly reserves all rights, claims, defenses and remedies with respect to the TCC’s proposed retention of professionals pursuant to the Additional Applications, and including without limitation, to seek to modify or vacate orders of retention for any such professionals once the ongoing discovery process in the Chapter 11 Case is complete, to the extent new information is uncovered in that process.

4. Further, if the retentions of Houlihan and FTI are authorized by the Court, the Debtor reserves all of its rights to object to any fees and expenses incurred by Houlihan and FTI in connection with this Chapter 11 Case, including, but not limited to, on the basis of reasonableness and duplication of effort.

Conclusion

For the reasons set forth above, the Debtor respectfully requests that the Court modify the terms of Houlihan's retention as provided herein and grant to the Debtor such other and further relief as the Court may deem proper.

Dated: May 25, 2023

WOLLMUTH MAHER & DEUTSCH LLP

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